

SB19 - Classroom Teacher State Career Bonus and Pay Raise
Senator Jane Nelson

Classroom Teacher State Career Bonus

- The first bonuses will be in September of 2018 (FY19).
- \$193M biennial package for *state career bonuses* for classroom teachers:
 - Classroom teachers with 6-10 years: \$600 bonus per teacher (\$45M per year).
 - Classroom teachers with 11 or more years: \$1,000 bonus per teacher (\$148M per year).

Pay raises - Begins FY 20

- \$750M biennial package for pay *raises* for classroom teachers:
 - Every district will receive \$1,000 for each teacher in their districts to use for pay increases.
 - The board of trustees of each district will determine a pay raise structure that best meets their needs.

Teacher Retirement System (TRS) Care Support

- \$212M appropriated to TRS to reduce costs for TRS participants for items such as premiums, deductibles, prescription drugs, and to assist with premiums and out of pocket costs for disabled adult dependents of retired teachers.
- As estimated, SB 19 is intended to:
 - Reduce max out-of-pocket costs for retirees with adult disabled children and premiums for these retirees by \$200.
 - Reduce deductibles for non-Medicare retirees by half, from \$3000 to \$1500.
 - Reduce Medicare retiree premiums by \$25.

Managed Care Organization Deferral

- SB19 directs a transfer of funding from the Health and Human Services Commission (HHSC) to TEA (\$193M) and TRS (\$212M).
- The intent is for HHSC to cover the cost of the transfer by deferring payments to managed care organizations (MCO) scheduled to be paid in August 2019 (by the 10th business day) to the beginning of September 2019. MCOs will be made whole in September 2019.
- This approach will not result in reduced provider rates or a disruption to benefits and services for Medicaid members.
- This funding mechanism will provide a bridge until next session when a permanent funding source can be implemented.